



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/694,925	10/27/2003	Justin Monk	020375-043600US	5092
20350	7590	12/04/2009	EXAMINER	
TOWNSEND AND TOWNSEND AND CREW, LLP			THEIN, MARIA TERESA T	
TWO EMBARCADERO CENTER			ART UNIT	PAPER NUMBER
EIGHTH FLOOR				3627
SAN FRANCISCO, CA 94111-3834			MAIL DATE	DELIVERY MODE
			12/04/2009	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

1 UNITED STATES PATENT AND TRADEMARK OFFICE

2

3

4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES

6

7

8 *Ex parte* JUSTIN MONK

9

10

11 Appeal 2009-011958
12 Application 10/694,925
13 Technology Center 3600

14

15

16 Decided: December 4, 2009

17

18

19 Before WILLIAM F. PATE, III, JENNIFER D. BAHR, and
20 ANTON W. FETTING, *Administrative Patent Judges.*

21 FETTING, *Administrative Patent Judge.*

22 DECISION ON APPEAL

1 STATEMENT OF THE CASE

2 Justin Monk (Appellant) seeks review under 35 U.S.C. § 134 (2002) of a
3 final rejection of claims 1-7 and 23-35, the only claims pending in the
4 application on appeal.

5 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b)
6 (2002).

7 SUMMARY OF DECISION¹

8 We REVERSE.

9 THE INVENTION

10 The Appellant invented a way for managing integrated credit and stored
11 value programs in consumer transactions. (Specification 1:¶ 0002).

12 An understanding of the invention can be derived from a reading of
13 exemplary claim 1, which is reproduced below [bracketed matter and some
14 paragraphing added].

15 1. A method for processing a transaction with a customer at
16 a point of sale, the method comprising:
17 [1] receiving,
18 at a point-of-sale device,
19 a cost for the transaction;

¹ Our decision will make reference to the Appellant's Appeal Brief ("App. Br.", filed September 26, 2008) and Reply Brief ("Reply Br.", filed March 3, 2009) and the Examiner's Answer ("Ans.", mailed January 5, 2009).

1 [2] receiving,

2 at the point-of-sale device from an instrument,
3 an instrument identifier identifying the instrument,
4 wherein the instrument identifier is associated with
5 a stored-value account and a credit account, and
6 wherein the stored-value account and the credit
7 account were linked to the instrument identifier
8 at a remote host
9 substantially contemporaneously with
10 issuance of the instrument to the customer;

11 [2] transmitting,

12 from the point-of-sale device to the remote host,
13 the instrument identifier;

14 [3] receiving,

15 at the point-of-sale device from the remote host,
16 account information relating to the stored-value account
17 and the credit account linked to the instrument identifier,
18 the account information generated by the remote
19 host based at least in part on the instrument
20 identifier;

21 [4] generating,

22 based at least in part on the account information,
23 a request to select a distribution of the cost for the
24 transaction among the stored-value and credit accounts;

25 [5] displaying, at the point of sale device, the request;

26 [6] receiving,

27 at the point of sale device,
28 a response to the request
29 that identifies a selected distribution identifying

a first nonzero portion of the cost for the transaction to be applied to the stored-value account and

a second nonzero portion of the cost for the transaction to be applied to the credit account; and

[7] transmitting,

from the point-of-sale device,

instructions to apply the cost for the transaction to the stored-value and credit accounts in accordance with the received response.

THE REJECTION

The Examiner relies upon the following prior art:

Carlisle US 5,649,118 Jul. 15, 1997
Kawan US 5,796,832 Aug. 18, 1998

14 Claims 1-7 and 23-35 stand rejected under 35 U.S.C. § 103(a) as
15 unpatentable over Carlisle and Kawan.

ARGUMENTS

17 The Appellant presents arguments for the independent claims 1 and 30
18 only. Both independent claims require receiving, from a “remote host
19 account”, information linking a stored value account and a credit account.
20 The Appellant contends that Carlisle fails to describe this limitation. App.
21 Br. 7-9. This argument is dispositive and so we need not reach the
22 remaining arguments.

1 ISSUES

2 The issue of whether the Appellant has sustained its burden of showing
3 that the Examiner erred in rejecting claims 1-7 and 23-35 under 35 U.S.C.
4 § 103(a) as unpatentable over Carlisle and Kawan turns on whether it was
5 predictable to receive from a remote host account information linking a
6 stored value account and a credit account with Carlisle's card.

7 FACTS PERTINENT TO THE ISSUES

8 The following enumerated Findings of Fact (FF) are believed to be
9 supported by a preponderance of the evidence.

10 *Facts Related to Claim Construction*

11 01. A stored value account is one in which the account is provided
12 with funds that may later be accessed to support a transaction.
13 Spec. 2:¶ 0004.

14 *Facts Related to the Prior Art*

15 *Carlisle*

16 02. Carlisle is directed to a way of purchasing a single set of
17 consumer items by debiting any of a plurality of accounts stored
18 on a smart card. (Carlisle 1:65-67).

19 03. Carlisle describes using a smart card storing data files where
20 each data file associates an account identifier uniquely specifying
21 a given account with an account balance and an item table
22 identifier. Accounts are for providers such as Visa, MasterCard,
23 Discover, ATM networks, food stamp programs, other types of
24 welfare programs, unemployment compensation. Carlisle 2:21-

- 1 30. Such food stamp and welfare accounts maintain balances that
2 must be sufficient for a transaction in order for these accounts to
3 be debited. Thus, they are accounts provided with funds that may
4 later be accessed to support a transaction. Carlisle 21:2-31. Visa,
5 MasterCard, and Discover are credit card accounts. Carlisle
6 21:51-56. Thus both stored value accounts and credit card
7 accounts have account identifiers on the same card.
- 8 04. In Carlisle, if an item is eligible for more than one account, a
9 debit priority algorithm determines which of the accounts should
10 be debited. The card holder is provided with the ability to mix
11 account balance categories (dollars, specific item identification,
12 item quantity, etc.) on a single card for a single transaction
13 corresponding to a plurality of accounts. Carlisle 3:59 – 4:7.
- 14 05. Carlisle stores a card ID in a file on the card. Carlisle 7:7-13.
15 At the beginning of a transaction, the card ID is transmitted to the
16 merchant's card reader to verify the owner. Carlisle 16:2-6.
- 17 06. Carlisle's card issuer/owner transmits account linkages for card
18 maintenance. Carlisle 14:59 – 16:40.

19 *Kawan*

- 20 07. Kawan is directed to wireless, portable terminals for providing
21 financial information and performing financial transactions.
22 Kawan 1:7-9.
- 23 08. When funds are transferred to and from the smart card, Kawan
24 transmits an encrypted bank signature appended to the funds that
25 certifies that the funds are "real." It also ensures that when the

1 transaction enters the settlement system, the funds are validated.
2 Because the settlement system may involve more than one
3 financial institution, when the transaction is ultimately presented
4 to the financial institution for payment, the encrypted bank
5 signature verifies that the transaction is authentic. Kawan 5:21-
6 29.

7 PRINCIPLES OF LAW

8 *Obviousness*

9 A claimed invention is unpatentable if the differences between it and
10 the prior art are “such that the subject matter as a whole would have been
11 obvious at the time the invention was made to a person having ordinary skill
12 in the art.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007); *Graham*
13 *v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

14 In *Graham*, the Court held that that the obviousness analysis is
15 bottomed on several basic factual inquiries: “[1] the scope and content of
16 the prior art are to be determined; [2] differences between the prior art and
17 the claims at issue are to be ascertained; and [3] the level of ordinary skill
18 in the pertinent art resolved.” *Graham*, 383 U.S. at 17. *See also KSR*, 550
19 U.S. at 406. “The combination of familiar elements according to known
20 methods is likely to be obvious when it does no more than yield predictable
21 results.” *KSR*, 550 U.S. at 416.

22 ANALYSIS

23 This is the second time this application is before us. Since the last
24 appeal, claim 1 has been amended, by adding what are now limitations [2]
25 and [3], which require receiving, from a remote host account, information

1 linking a stored value account and a credit account. The remaining
2 independent claim 30 is similarly amended. The art before us now differs
3 from, and has no overlap with the art that was presented in the earlier appeal.
4 Thus, the issue before us was not present in the earlier appeal.

5 Carlisle describes a smart card that stores both stored value and credit
6 account information on the card. The user can use the card to make
7 purchases and allocate the cost among the various accounts subject to
8 restrictions. FF 02 - 04. Kawan describes wireless, portable terminals for
9 providing financial information and performing financial transactions. FF
10 07. The Examiner found that Carlisle described the steps of claim 1 except
11 for going to a remote host for the information. The Examiner found that
12 Kawan described communication between a smart card and a remote host for
13 security purposes. Ans. 3-5.

14 As noted above, the Appellant argues that neither reference describes
15 these new limitations that require receiving, from a “remote host account”,
16 information linking a stored value account and a credit account. The
17 Examiner responded with a litany of facts spanning Answer 14-20 without
18 providing any analysis as to how those facts would lead to the conclusion
19 that the art does describe those limitations or at least show they were
20 predictable.

21 Carlisle’s card already has the accounts and linkages needed to identify
22 and apply the payment distribution recited in limitations [6] and [7], which
23 explains the absence of any reception from a remote host of that information.
24 We agree that Carlisle does retrieve linked information at account
25 maintenance from the card issuer, which is among the facts found by the

1 Examiner. FF 06. But since such maintenance, such as card set up or
2 adding an account, is outside of a purchase transaction, the remaining
3 limitations of the independent claims are not met as regards point of sale.

4 The Examiner does not explain how going to a host for security would
5 lead to providing linked accounts from the host, or even where Kawan
6 describes such security. We do find that Kawan describes using data
7 encryption from a host to improve security (FF 08), but only with a single
8 account. Thus, we conclude the Examiner has failed to show it was
9 predictable to return from a remote host with a linkage to several accounts
10 during a point of sale transaction, and so has failed to present a *prima facie*
11 case for the rejection.

12 **CONCLUSIONS OF LAW**

13 The Appellant has sustained its burden of showing that the Examiner
14 erred in rejecting claims 1-7 and 23-35 under 35 U.S.C. § 103(a) as
15 unpatentable over Carlisle and Kawan.

16 **DECISION**

17 To summarize, our decision is as follows.

- 18 • The rejection of claims 1-7 and 23-35 under 35 U.S.C. § 103(a) as
19 unpatentable over Carlisle and Kawan is not sustained.

20
21 **REVERSED**
22
23
24
25

Appeal 2009-011958
Application 10/694,925

1 mev
2 TOWNSEND AND TOWNSEND AND CREW, LLP
3 TWO EMBARCADERO CENTER
4 EIGHTH FLOOR
5 SAN FRANCISCO CA 94111-3834